



RICK J. CARUSO

Chair  
USC Board of Trustees

December 21, 2018

Mr. Edward P. Roski Jr.  
Chairman & CEO  
Majestic Realty Co.  
13191 Crossroads Parkway North, Sixth Floor  
City of Industry, California 91746

Dear Ed:

I write in response to your December 19 letter. I have chosen not to copy the Board.

Since becoming chair, I have worked hard to encourage robust, informed debate amongst the entire Board of Trustees, which is absolutely fundamental to addressing the significant issues facing our beloved University. As you know, we have held multiple special Board and Executive Committee meetings since June, and I have sought to increase regular communication, especially with regard to time-sensitive matters.

The Dean Ellis matter has been no different. We discussed it at the October 10<sup>th</sup> Board of Trustees meeting, the November 7<sup>th</sup> Executive Committee meeting, and by email among the Board members throughout the fall. On December 12, the Executive Committee held a special meeting, which lasted over an hour, solely for this matter and you participated in the conversation. President Austin invited all Board members to review the documentation at issue in advance of that morning's Board meeting. At that meeting, Trustees openly expressed frank viewpoints for nearly 90 minutes.

While you may disagree, I left our Executive Committee meeting and our Board meeting comfortable that the decision regarding Dean Ellis had been thoroughly reviewed and that every Board member had the opportunity to share his or her feedback with the full Board and our President.

With respect to Ming Hsieh's participation at our December 12 Board meeting, the Board faced a difficult situation. Ming had retained the same attorney who is representing Dean Ellis in challenging the University's employment decision. While Dean Ellis has every right to challenge the decision, Ming's retention of the same attorney creates a conflict. Had we allowed Ming to remain in the room for our conversation, there would be no way for the Board to prohibit him from sharing our confidential discussion with his attorney nor could we prevent that same attorney from sharing this information with Dean Ellis. Basic corporate governance principles required that Ming be excluded from our confidential discussions due to this conflict. Through his attorney's letter to the Board, Ming had already expressed his concern regarding the President's decision. In addition, he shared those same concerns with the Board prior to being excused.

Your accusations of racism and cultural insensitivity are baseless, offensive, and not befitting of this Board or our values. Your words were inappropriate for a man of your stature and frankly saddened me.

On a more personal note, we have known each other for twenty years. If you have something to tell me, you could have and should never hesitate to pick up the phone and give me a call. I am always available and willing to talk to you or any of our fellow Trustees.

In the meantime, I hope that we and our entire Board will hold ourselves to the highest standard of civility, respectful discourse, and thoughtful deliberation that our University so justly deserves.

Sincerely,

Rick



Rick J. Caruso  
Chair  
Board of Trustees

# EDWARD P. ROSKI, JR.

December 19, 2018

Mr. Rick Joseph Caruso  
Chairman  
Board of Trustees  
University of Southern California  
3670 Trousdale Parkway  
Los Angeles, CA 90089

Dear Rick:

I am deeply troubled by your conduct at last week's Board of Trustees meeting. As both a former chairman and a member of the board for nearly 20 years, I must tell you that I have never before witnessed a member of the board behave so unprofessionally and recklessly as you did last Wednesday, let alone a chairman of the board. You abused the trust and authority vested in you by removing a trustee from the meeting for no discernible reason other than their position differed from your own.

Your arbitrary imposition of a one-minute speaking rule on Ming Hsieh—a rule that you pointedly did not apply to any other trustee in the meeting — it unfairly muzzled a dissenting viewpoint and is contrary to both good governance and the principles of free speech and intellectual discourse for which USC stands.

When Ming dared to speak longer than the one minute you so generously allotted to him, you verbally abused him, shouting him down: "You only have one minute! It's a minute and a half! You have to leave!" You then had him escorted from the boardroom and only permitted him to return when discussion of the Jim Ellis matter had ended.

How long did Wanda speak? How long did you speak? Are the two of you "super-trustees" so that you automatically get more time to state your case?

Rick, we don't win arguments here by shouting louder than the next guy. You took advantage of the fact that English is Ming's second language to stifle his ability to make his case, even though he was one of the few members of the Board who had actually gone to the trouble and inconvenience of going to USC to read the Cooley report and

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the dean's personnel file. That information was pointedly not provided to board members either in advance of or during the meeting. Even the meager slides you projected on the screen during the meeting were illegible. Yet, after thoroughly shutting down a key opponent's viewpoint and otherwise limiting discussion, you called for a vote. Even though USC's Academic Senate protested the lack of transparency and shared governance in Wanda's decision to terminate Dean Ellis.

I, for one, was incredibly embarrassed by the way you treated a fellow trustee from a different culture and nationality than your own. The USC I know embraces diversity and inclusion; it does not reject and repel it, as you did by bullying Ming and ejecting him from the boardroom. Your purported rationale for your conduct and autocratic behavior—that Ming had hired an attorney—is ludicrous. All of us have attorneys who represent us; are you going to silence the entire board, or just the members who disagree with you or come from a different ethnicity or nationality?

Ming is a wise, extremely smart and capable individual who has made invaluable contributions to this university since joining the Board of Trustees 11 years ago. He is a steadfast, loyal Trojan who only wants the best for USC.

Rick, your behavior shocked the conscience. I have never before seen another member of the board so callously degrade and marginalize a trustee as you did. I found your conduct extremely offensive. Like myself, Stanley Gold (former Chairman of the Board) felt so strongly about your bullying tactics and censorship of a trustee that he insisted that his objection to Ming's forced removal from the meeting be placed on the record. The minutes should reflect this, including the fact that you gave Ming only one minute to speak, threw him out of the meeting and only allowed him to return to register his vote. An accurate record of this meeting must be maintained for both transparency and accountability reasons.

All of this makes me wonder why you felt you could be so disrespectful to Ming and treat him in such a derogatory manner. Was it because of his background and position, his nationality, gender or race?

This is not the way we behave in society today, this is not what the University of Southern California stands for and this is not what the Board of Trustees is all about. I could literally feel the shock waves passing through my fellow trustees as you diminished Ming, first administering a loud, abrasive tongue lashing, then kicking him out of the meeting.

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Rick, by preemptively silencing a board trustee, a trustee armed with the facts you deliberately chose not to make readily available to the rest of the Board, you ensured that your agenda would dominate the discussion and made the vote a foregone conclusion. Instead of damping the controversy, you stoked it. This is not leadership, this is manipulation. Because you are Chairman of the Board of Trustees, your irresponsible actions have lowered yourself, the Board and the very University we are here to serve. My strong recommendation would be for you to apologize to Ming and the Board of Trustees for your actions.

Sincerely yours,



Edward P. Roski, Jr.

cc: University of Southern California Board of Trustees